



Sustainable Communities Overview and Scrutiny Committee

Date: Thursday, 17 February 2011

Time: 6.00 pm

Venue: Committee Room 1 - Wallasey Town Hall

Contact Officer: Brian Ellis

Tel: 0151 691 8491

e-mail: brianellis@wirral.gov.uk

Website: <http://www.wirral.gov.uk>

AGENDA

1. **NOTICE OF CALL-IN MINUTE 287 CABINET 13 JANUARY, 2011 - PARKS AND COUNTRYSIDE PROCUREMENT EXERCISE (Pages 1 - 8)**

The Leader of the Labour Group, Councillor Steve Foulkes, and Deputy Leader, Councillor Phil Davies, have called this matter in for the following reasons:

1. The report contains substantial exclusions to the original proposals.
2. There is no costing of these exclusions.
3. There is no reason given for these exclusions.
4. There is no clear indication of what is now included in the potential contract.
5. There is no revised figure given for the new contract value.
6. There is no indication of any revised figure for potential savings.
7. There is no information on the potential impact on staff or staff organisation.
8. It is impossible for members to ascertain from this report whether or not, on the revised contract value, the outsourcing will provide the Council with value for money.
9. The report states that “the proposed exclusions from the scope of this procurement exercise outlined in 3.3 and form of contract in 4.0 will be used to inform the formal OJEU advertisement and Pre-Qualification Questionnaire to commence shortly”. If this happens before members are provided with a further report giving them the full information necessary on which to take a decision to move to tender, they will be put in the position of placing a tender before they even know the value of the contract to be advertised.
10. The lack of any precise knowledge of the in house value of the services to be tendered, or of any detailed breakdown of the individual services, and the lack of any work done on an in house bid which was precluded by Cabinet, means there will be no accurate yardstick against which to gauge any subsequent tenders and make decisions on whether the outsourcing will deliver savings or provide value for money.
11. If savings are minimal it will be important to factor in the lack of future financial flexibility created by the letting of a long term contract.
12. No opportunity has been given to staff to see if they can meet in house any new savings targets while retaining flexibility for the Council.
13. At the call in held in July, the Director of Technical Services stated that any major changes to the procurement exercise would mean that the exercise itself would be subject to further review.
14. Reducing the value of the contract by what looks to be almost half must qualify as a major change.
15. No review has been instigated.

2. DECLARATIONS OF INTEREST/PARTY WHIP

Members are asked to consider whether they have personal or prejudicial interests in connection with any item(s) on this agenda and, if so, to declare them and state what they are.

Members are reminded that they should also declare, pursuant to paragraph 18 of the Overview and Scrutiny Procedure Rules, whether they are subject to a party whip in connection with any item(s) to be considered and, if so, to declare it and state the nature of the whipping arrangement.

3. EXPLANATION OF CALL-IN BY THE LEAD SIGNATORY

4. EVIDENCE FROM CALL-IN WITNESSES

5. EVIDENCE FROM CABINET MEMBER'S WITNESSES

6. SUMMING UP BY MOVER OF THE CALL-IN

7. SUMMING UP BY CABINET MEMBER

8. COMMITTEE DEBATE

9. COMMITTEE DECISION

This page is intentionally left blank

WIRRAL COUNCIL

CABINET – 13TH JANUARY 2011

REPORT OF THE DIRECTOR OF TECHNICAL SERVICES

PARKS & COUNTRYSIDE SERVICES PROCUREMENT EXERCISE (PACSPE) – INVITATION TO TENDER (ITT)/ PROJECT SCOPE DEFINITION

1.0 EXECUTIVE SUMMARY

The purpose of this report is to update Members on the progress of the project since Outline Business Case approval and to seek Cabinet approval for the proposed exclusions from the procurement exercise and form of contract endorsed by the PACSPE Member Steering Group.

2.0 BACKGROUND

2.1 Cabinet considered a revised Outline Business Case prepared by Capita Symonds at its meeting of 22 July 2010 and approved the recommendation (Minute 84 refers) to proceed with Option 3 (Total Service with Single Provider) based on the greater potential for improvements in efficiency and consistency of service delivery using the Restricted Procurement procedure with a number of areas to be subject to further consideration.

2.2 This decision was subject to 'Call In' and was considered by the Sustainable Communities Overview & Scrutiny Committee on 31st August. The resolution of the Committee (Minute 72 refers) was as follows:

(1) That the recommendations contained in Cabinet Minute 84 of 22 July 2010 be endorsed by this Committee

(2) That officers ensure that during the period in which the tender document is prepared the widest consultation takes place with all stakeholders, in particular trade unions and user groups

3.0 PROGRESS UPDATE SINCE OUTLINE BUSINESS CASE APPROVAL

3.1 Following a 'mini competition' process using the Technical Services Consultancy Framework, consultant Atkins has now been appointed to assist Council officers progress the procurement exercise through to contract commencement, including preparation of the Invitation To Tender (ITT)/ contract documentation and project management support.

3.2 In accordance with the management and governance arrangements for the project, a series of scoping papers have been considered by the Project Board (consisting of senior officers from the key Council Departments) and signed off by the PACSPE Member Steering Group which have looked in detail at the specific service areas under the Parks and Countryside Service. The Steering Group have also taken overall responsibility for monitoring

progress against the key milestones for the project set out in the Project Plan and the management of risk.

- 3.3 As a result of the scoping process, it has been agreed by the majority of Members on the Steering Group (although it should be noted that one Member of the group did not support all of the recommendations and raised procedural objections to most) to recommend to Cabinet that the following should not be included in the procurement exercise:
- Buildings repair and renewal (including war memorials)
 - Hard landscape infrastructure repair and renewal in parks (e.g. paths, walls and fences)
 - Landican Crematorium and the Bereavement administration service
 - The Tam O'Shanter Urban Farm
 - Schools grounds maintenance
 - The Beach Lifeguard service
 - The management and administration of golf courses including golf professionals
 - The administration of allotments (which should be transferred to the Department of Law, HR and Asset Management)
 - Parks Development Team
- 3.4 A market sounding exercise was undertaken on 30th November and 1st December with a sample of six companies that are key players in the parks and countryside sector. The discussions with these companies took place within a controlled environment under the supervision of the Council's Internal Audit and Procurement teams and the feedback from these companies confirmed these recommendations. This exercise also confirmed that the market is comfortable with the proposed timescales for the procurement exercise, particularly in terms of proposed tendering and contract mobilisation periods.
- 3.5 Also during this period, public meetings have been held with all key stakeholders such as bowls and football clubs, golf clubs, Friends of Parks, funeral directors and organisations responsible for biodiversity. These have been well attended and the comments gathered from these meetings have been recorded and will be used to develop the ITT and Specification. The Director of Technical Services has also met with all Parks staff to discuss progress and their concerns and regular meetings have been held with trade union representatives.
- 3.6 These consultation meetings have also been extremely useful in understanding users concerns and collecting ideas in relation to services and in particular how they may be improved and/or become more user friendly. Two specific examples raised relate to:
- a) a common telephone number for all Parks and Countryside Services – now implemented and the Streetscene Call Centre deals with all such enquiries.

- b) introduction of credit card payments and on-line bookings for cremation and burial services – credit card payments now received and working towards on-line bookings via improved/new technology.

4.0 PROPOSED FORM OF CONTRACT

- 4.1 The Project Board and Member Steering Group have endorsed the proposal to opt for a 'NEC3 Term Service Option A' form of contract.
- 4.2 The New Engineering Contract Third Edition (NEC3) is the latest form of this contract and is universally recognised as a modern partnering contract ideally suited to major public sector construction projects and contracts. The benefits of the NEC3 form have been endorsed by a number of bodies including the Office of Government Commerce, the Construction Clients Board and the Institution of Civil Engineers.
- 4.3 Within the NEC3 'suite' there are a number of broad forms which include the Engineering and Construction Contract (ECC) which is ideal for construction-orientated contracts such as the Council's Highway & Engineering Services contract, and the Term Service Contract (TSC) which is ideally suited to contracts with more of an emphasis on routine maintenance activities and is recommended for the Parks and Countryside Services contract.
- 4.4 Within the recommended NEC3 TSC form there are a further number of sub-forms (options): Option A Priced Contract with Price List, Option C Target Contract with Price List and Option E Cost Reimbursable Contract.
- 4.5 It is proposed that Option A will provide the most cost certainty and risk transfer to the contractor in relation to pricing, the flexibility for the Council to adjust the flow of work to the contractor via specific Task Orders plus the facility to introduce Key Performance Indicators with performance-related financial incentives/ damages.

5.0 OJEU ADVERTISEMENT AND PRE-QUALIFICATION QUESTIONNAIRE

- 5.1 Subject to Cabinet approval, the proposed exclusions from the scope of this procurement exercise outlined in 3.3 and form of contract in 4.0 will be used to inform the formal OJEU advertisement and Pre-Qualification Questionnaire to commence shortly.

6.0 FINANCIAL AND STAFFING IMPLICATIONS

- 6.1 The gross budgets for these services for 2010/11 total in excess of £14M and include parks and open spaces, golf courses, cemeteries and crematoria, rangers, beach lifeguards, allotments, maintenance of highway verges and trees and war memorials. Based on the proposed exclusions from scope outlined in this report, it is proposed that there will be a further report which reviews the structure of budgets and confirms the value of the contract taking into account issues such as the recent EVR exercise.

6.2 In relation to staffing, it is proposed that a further report will be submitted on the structure of the proposed new parks 'client' contract monitoring and development team to a future meeting.

7.0 EQUAL OPPORTUNITIES/ EQUALITY IMPACT ASSESSMENT

7.1 An Equality Impact Assessment is being undertaken for this procurement exercise.

8.0 HEALTH IMPLICATIONS/ IMPACT ASSESSMENT

8.1 A Health Impact Assessment is being undertaken for this procurement exercise.

9.0 PLANNING IMPLICATIONS

9.1 There are no planning implications.

10.0 COMMUNITY SAFETY IMPLICATIONS

10.1 There are no community safety implications.

11.0 HUMAN RIGHTS IMPLICATIONS

11.1 There are no human rights implications.

12.0 LOCAL AGENDA 21 IMPLICATIONS

12.1 The service is responsible for the management of a number of areas which are important for nature conservation and the ITT will ensure they are maintained to the appropriate standard and legal requirements.

13.0 SOCIAL INCLUSION IMPLICATIONS

13.1 There are no social inclusion implications.

14.0 ANTI-POVERTY IMPLICATIONS

14.1 There are no anti-poverty implications.

15.0 ACCESS TO INFORMATION ACT

15.1 The scoping papers referred to in this report contain commercially sensitive information and have been classed as 'not for publication' under Paragraph 3 Part 1 of Schedule 12A of the Local Government Act 1972.

16.0 LOCAL MEMBER SUPPORT IMPLICATIONS

16.1 Parks and Countryside Services are delivered on a borough-wide basis.

17.0 RECOMMENDATIONS

17.1 Cabinet is requested to:

1. Note the progress of the Parks and Countryside Service Procurement Exercise and approve the recommendations for exclusions endorsed by the Member Steering Group as set out in 3.3 of this report.
2. Approve the form of contract endorsed by the Member Steering Group as set out in section 4.0 of this report.

DAVID GREEN
DIRECTOR, TECHNICAL SERVICES

This page is intentionally left blank

MINUTE EXTRACT

CABINET – 13 JANUARY 2011

287 PARKS AND COUNTRYSIDE SERVICES PROCUREMENT EXERCISE (PACSPE) - INVITATION TO TENDER/PROJECT SCOPE DEFINITION

A report by the Director of Technical Services presented a comprehensive report on the progress of the project since Outline Business Case approval and sought the Cabinet's approval for the proposed exclusions from the procurement exercise and form of contract endorsed by the PACSPE Member Steering Group.

RESOLVED: That

- (1) the Cabinet be requested to:**
 - (a) note the progress of the Parks and Countryside Service Procurement Exercise and approve the recommendations for exclusions endorsed by the Member Steering Group as set out in 3.3 of this report; and**
 - (b) approve the form of contract endorsed by the Member Steering Group as set out in section 4.0 of this report; and**
- (2) the Cabinet's thanks be conveyed to all those officers who have contributed to the procurement exercise.**

This page is intentionally left blank